

CHARTER

ADVISORY BOARD ON THE DEMONSTRATION OF A BUNDLED CASE-MIX ADJUSTED PAYMENT SYSTEM FOR ESRD SERVICES

Purpose

The Secretary of Health and Human Services is mandated by section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) to establish an Advisory Board on the demonstration of a bundled case-mix adjusted payment system for end stage renal disease (ESRD) services. The Advisory Board is to provide advice and recommendations with respect to the establishment and operation of such demonstration.

Authority

Section 623(e) of the MMA (PL 108-173). The Board is governed by the provisions of PL 92-463, as amended (5 USC Appendix 2), which sets forth standards for the formation and use of advisory committees.

Function

The Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services shall advise the Secretary and the Administrator of the Centers for Medicare and Medicaid Services (CMS) concerning the establishment and operation of such demonstration.

Prior to implementation of the demonstration, the Advisory Board shall study and make recommendations on issues such as the following:

- drugs, biologicals, and clinical laboratory tests to be bundled into the demonstration payment rates;
- method and approach to be used for the patient characteristics to be included in the fully case-mix adjusted demonstration payment system;
- how payment for bundled services provided by non-demonstration providers should be handled for beneficiaries participating in the demonstration;
- the feasibility of providing financial incentives and penalties to plans operating under the demonstration that meet or fail to meet applicable quality standards;
- the specific quality standards to be utilized;
- the feasibility of using disease management techniques to improve quality and patient satisfaction and reduce costs of care for the beneficiaries participating in the demonstration; and
- selection criteria for demonstration organizations.

Upon implementation of the demonstration, the Advisory Board shall continue to advise the Secretary and the CMS Administrator on the operation of the demonstration.

Structure

The Board shall consist of up to 11 members. The Chair shall either be appointed from among the 11 members or a Federal official will be designated to serve as the Chair. The members and the Chair shall be selected by the Secretary, or designee, and include representatives of patient organizations; individuals with expertise in ESRD dialysis services, such as clinicians, economists, and researchers; the Medicare Payment Advisory Commission, established under section 1805 of the Social Security Act (42 USC 1395b-6); The National Institutes of Health; Network Organizations under section 1881(c) of the Social Security Act (42 USC 1395rr(c)); Medicare contractors to monitor quality of care; and representatives of providers of services and renal dialysis facilities furnishing ESRD services.

Members shall be invited to serve for the duration of the Advisory Board.

As necessary, standing and ad hoc subcommittees, composed of members of the parent Board, may be established to perform functions within the Board's jurisdiction. The Department Committee Management Officer shall be notified upon the establishment of each standing subcommittee and shall be given information on its name, membership, function, and estimated frequency of meetings.

A quorum for the conduct of business shall consist of a majority of currently appointed members.

Management and support services shall be provided by the Office of Research, Development and Information, Centers for Medicare & Medicaid Services.

Meetings

Meetings shall be held no more than four times per year. If the Chair is selected from among the 11 members, the Chair will call the meeting with the advance approval of a Government official, who shall also approve the agenda and be present at the meeting. If the Chair is a Government official, the Government official will call the meeting, approve the agenda and serve as the Government official at the meeting.

Meetings shall be open to the public, in accordance with section 10 of the Federal Advisory Committee Act, except as determined otherwise by the Secretary or other official to whom the authority has been delegated; notice of all meetings shall be given to the public.

Meetings shall be conducted, and records of the proceedings kept, as required by applicable laws and Departmental regulations.

Compensation

Members shall receive compensation for each day they are engaged in the performance of the function of the Board, at no more than \$250 per day, in addition to per diem and travel expenses as authorized by Section 5703, Title 5 USC, as amended, for persons in the government service employed intermittently. Members who are industry, labor, or consumer representatives shall

serve in a voluntary status without compensation pursuant to advance written agreement. Officers or employees of the United States shall not receive additional compensation for service on the Board.

Annual Cost Estimate

Estimated annual cost for operating the Board, including compensation and travel expenses for members and logistical support, but excluding support staff, is \$145,091 for FY 2005 and \$87,848 for FY 2006. The estimated annual person-years of support staff required is 0.5 FTE at an annual cost of \$57,062 for FY 2005 and \$59,890 for FY 2006.

Reports

In the event a portion of a meeting is closed to the public, a report shall be prepared which shall contain, at a minimum, a list of members and their business addresses, the Board's functions, dates and places of meetings, and a summary of Board activities and recommendations made during the fiscal year. A copy of the report shall be provided to the Department Committee Management Office.

Termination Date

The Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services will terminate on December 31, 2008.

Approved

May 11, 2004

Date

/s/ Tommy G. Thompson

Secretary